

K&L GATES

January 2, 2025

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Via ECF and Hand Delivery

The Honorable Richard G. Andrews
United States District Court
for the District of Delaware
844 N. King Street
Wilmington, DE 19801

Re: *Chavis v. Klaussner Furniture Industries, Inc.*; C.A. No.: 23-876-RGA

Dear Judge Andrews:

I write on behalf of the parties to this case in accordance with the Court's Order dated December 23, 2024 (D.I. 20) to provide a status report on the case.

On August 10, 2023, Plaintiff Trey Chavis, on behalf of himself and all others similarly situated filed a complaint against Defendant Klaussner Furniture Industries, Inc. Defendant is currently under a general receivership in the proceeding styled as *Bank of America, N.A. v. Klaussner Furniture Industries, Inc. et al.*, Case No. 23-CVS-1786, in the General Court of Justice, Superior Court Division, in Randolph County, North Carolina and pending before the North Carolina Business Court (the "North Carolina Receivership Proceedings").

In the North Carolina Receivership Proceedings, there is a hearing scheduled for January 7, 2025 on the receiver's motion to approve a settlement. There were no objections to the motion. Accordingly, the receiver anticipates that the motion will be approved. Upon entry of an order approving the settlement, it is anticipated that the process of winding down the receivership will begin promptly. That process will include the filing of a motion to make final distributions,

terminate the receivership, and discharge the receiver. At this time, the receiver does not anticipate there being any assets to distribute to general unsecured creditors, including the Plaintiffs in this case. The receiver anticipates that the North Carolina Receivership Proceedings will be closed by March 31, 2025.

Accordingly, the parties propose to submit another status report on or before March 31, 2025, if the pending litigation has not yet been dismissed.

The parties are available should the Court have any questions.

Respectfully submitted,

/s/ Matthew B. Goeller

Matthew B. Goeller (No. 6283)

cc: All counsel of record via CM/ECF